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## American Farmers and the Tariff of 1883.

BEING AN ANALYSIS OF SOME OF THE FOOD AND CRUDE  
MATERIALS PROVISIONS OF THE PRESENT TARIFF.

BY HON. JOHN L. HAYES.

Extracts from a Paper in The Bulletin of The National Association of Wool Manufacturers.

The figures used in this inquiry are derived from the very interesting Quarterly Report of Mr. Wm. F. Switzler, Chief of the Bureau of Statistics of the Treasury Department, for the three months ending June 30, 1885. The report before us recapitulates the values of imports for 1884, as follows:

Total free of duty.....	92½ millions.
Total dutiable.....	132 millions.

*Cocoa, Coffee, Tea, Spices. Imports, 71 millions. Free of Duty.*—Cocoa was made free by a protective Congress in 1870. Tea and coffee were made free by a protective Congress in 1872, the protectionists Dawes, Sherman, Kelley, Blaine, and Morrill principally contributing to the result. Spices were made free in 1883 by a protective Congress at the recommendation of the Tariff Commission.

*Fruits. Imports, 16½ millions.*—Apples, the only fruit which may be regarded as strictly an article of necessary food, being free, the fruits which are dutiable under our tariff should be classed as luxuries rather than necessities, and therefore as belonging to the class of commodities which are most properly subjected to duty. In our tariff, however, the discrimination is most carefully made with reference to the protection of domestic productions. Thus, bananas and cocoanuts, mangoes and plantains, which can be grown only in the extreme tropics, are free. The duties on fruits are imposed with particular reference to the Southern and Pacific States, where fruit culture is a special and import-

ant industry; to the orange and lemon culture of Florida, which is so rapidly enriching that State and attracting invalid emigration from the North to its salubrious winter climate; to the almond, olive, grape, and especially the raisin culture of California. The latter rapidly advancing industry supplied last year 250,000 boxes of raisins, equal to the best imported, and certain to be free from cholera germs, to which the fruit imported from infested districts of Spain is liable.

*Peanuts.*—The bearing of the present tariff upon the apparently insignificant industry of the peanut culture is illustrative of the duty on fruits and nuts. Hear what a North Carolina planter says:

Up to 1861 the crop in this section, Wilmington, constituted seven-eighths of the entire crop of the United States; but under the fostering protection of the duty (one cent per pound) increased so that there are from 300,000 to 600,000 bushels raised annually in Tennessee, and from 700,000 to 1,000,000 bushels in Virginia. The price fluctuates as large or small quantities of "African" peanuts are imported. For example, peanuts that sold in July last at six cents per pound are at this date, owing to recent heavy importations, selling at five cents per pound. The peanut is raised principally by the smaller or poorer class of farmers upon such soil as no other remunerative crop can be raised. . . . Since the duty was imposed on peanuts that production has increased from 600 to 800 per cent.

Laying all economical questions aside, does not statesmanship require that even the smallest interests of the Southern and Pacific States, distant from the great centres of wealth and population, and the impoverished States of the middle South, should recognize the National Government in its tariff policy as a beneficent influence upon their industries and people?

*Rice.* *Imports, 2 millions.*—Rice in this country is the almost exclusive production of the three Southern States of South Carolina, Georgia, and Louisiana. Before the war it was an article of profitable export. The production at one time, 1850, reached 215,000,000 pounds, and this under a merely nominal *ad valorem* duty of 20 per cent. in 1846 and 15 per cent. in 1857. Even this duty was not needed, for with slave labor at an average of 20 cents a day our Southern rice States could contend against even the cheap labor of Asia. The War of the Rebellion destroyed the rice industry. In 1864 the whole domestic production was only 12,000,000 pounds. Whereas in 1860 we imported no foreign rice, in 1864 our importation was 100,000,000 pounds. There being no domestic competition to keep down the price, the price rose to \$12 per hundred pounds. In 1864 a duty of 2½ cents per pound was imposed, purely for reve-

nue purposes. Under this duty the old rice fields were rehabilitated, and production reached almost its former extent; for the revenue duty of the war which survived became a protective duty of the highest beneficence to the South. Under it production of rice in 1881-82 reached 118,000,000 pounds, and, American and Asiatic rice contending in the market, prices fell to \$4.25 per hundred pounds, below the average prices in the most prosperous period of American rice industry. In 1883, notwithstanding the demands of the Georgia planters that the duty should be increased, it was moderately reduced. Why should it not stand as it is, at 2½ cents per pound? The present duty is no more than an equivalent for the increased cost of agricultural labor at the South under emancipation. The industry competes with Chinese labor at less than 10 cents a day, while in our rice districts females obtain from 50 to 75 cents, and males from 60 cents to \$1.25 a day. It employs 160,000 persons, chiefly manumitted slaves or their children whom the nation by its act of emancipation is bound to protect, and who with a cessation of the rice culture would fall into destitution. The duty sustains the least spontaneous of all industries of the soil, for the rice-fields have been rescued from marshes and impenetrable swamps, and provided with embankments for protection and ditches for irrigation, at a cost which no other agricultural lands in the world require. The chief burden of the duty upon consumers falls upon those who should most equitably bear it; for our largest importations are from China to the Pacific States, and the chief consumers of these States are the Chinese, who through the medium of this duty contribute to the maintenance of the Government what probably is the only contribution they make.

It seems to us that this article is an eminent example of wisdom in the imposition of duties upon a foreign product. The duty in this case clearly prevents monopoly in either the domestic or foreign product, to the advantage of the domestic consumer as well as the domestic producer. It encourages a home industry eminently necessary to afford food and hospital supplies in time of war, and so promotes national independence. It has been the very sheet anchor of the domestic industry; for when, in the height of its success, it was on the verge of destruction through intestine troubles, it was the duty which saved it from the wreck and restored it to its pristine prosperity, illustrating to those who would have destroyed the nation the beneficence of the nation's paternal power.

*Salt.* *Import, 1½ millions.*—We must dwell at some length upon this topic. Salt is the very shibboleth of Free Trade, and in our view it serves the purpose which the salt-cellar did at the tables in

feudal times of defining the line between the noble and ignoble, the American and un-American advocates of a tariff policy.

Of all inorganic substances salt is the one of the most supreme necessity to man. It has been said to be "a necessary of life which no economy can avoid, no poverty shun, no privation escape, no cunning elude, no dexterity avoid." Hence Free Traders say it should be free as air. Hence, on the other hand, we would say, every nation should have the means of supplying itself with this supreme necessary within its own borders and from its own resources. As individuals can not, each for himself, produce his needed supply of salt, such production becomes a separate and distinct employment, requiring capital, mechanical accessories, skill, and experience; in short, an industry deserving national regard in proportion to the necessity of its product to the people.

It is asserted that our salt industry is a monopoly and our duties a virtual prohibition. Statistics show that in eleven years from 1863, inclusive, under the comparatively high duty of that period, the annual average importations were 10,000,000 bushels; and in ten years from 1872, under a reduced duty, the annual average importations were 16,000,000 bushels; and that the importations in 1881 were only a million bushels short of all that was requisite for the entire home supply thirty-two years before. This does not look like monopoly or prohibition. In fact, a monopoly of the salt manufacture would not be possible, as no considerable portion of our territory is destitute of the raw material. In the South, where the sophistry of monopoly has found most favor, this industry might flourish as well as at the North. The Grand Saline of Texas employed three thousand men in making this essential article when blockades compelled the South to seek salt within her own territory. The industry would revive in the South, and the Salines of Texas and the immense salt beds of Louisiana would be utilized, if the reduced duty, the apprehension of losing even this, and the accessibility of the South to the imported article borne by ships carrying salt in ballast, did not deter skilled manufacturers from embarking capital in an industry exposed to such risks.

It is said that the cost of salt to the consumer will be diminished by Free Trade or reduction. This is contradicted by American experience. In 1807 the duty of 20 cents a bushel which had before been imposed was repealed, and salt was admitted free of duty for six years. Consequently our home works were abandoned, or greatly reduced in production. Domestic competition being withdrawn, the prices of foreign salt which then flooded the markets advanced, being as high as \$2 per bushel. When the War of 1812

arrived the foreign supply from England and her colonies was cut off. We had to depend upon the few establishments of our own which had not been driven out of business by foreign rivalry; and it is recorded as an historical fact that "salt was sold in quantities in more than one of our States at four dollars per bushel." While writing this article we were informed by a merchant of Portsmouth, N. H., that a cargo of salt was held in that town during the War of 1812 by speculators, though not actually sold, at \$8 per bushel.

In 1872 Congress reduced the duty on salt in bags from 24 cents per hundred pounds to 12 cents, and on salt in bulk from 18 cents per hundred pounds to 8 cents, that is, reduced the duty more than one-half. What was the result? The foreign producers put up the price immediately, and in 47 months after the reduction of the duty took effect the average increase in the foreign invoice value amounted to over 8 cents per hundred pounds, or to more than two-thirds of the duty taken off; and the expected benefit of reduction, instead of inuring to our consumers, went into the pockets of the foreign manufacturers of salt. The rise of prices attracted attention everywhere in this country; and the New York Chamber of Commerce, in a report upon this subject in 1873, declared: "The reduction of duty on foreign salt has not had that effect upon the price of salt that was anticipated by those who advocated its passage. The cost of both ground and fine salt is higher than it was before the duty was reduced."

These facts establish what the American salt producers maintain, that any legislation which would break the growing force of the American competition against the foreigner would be sure to strengthen the foreigner and enable him to exact higher prices, and that the tendency to cheapen salt, now in operation, can be sustained only by maintaining those circumstances which strengthen the power of American competition.

It is urged that our dairy interests require the abolition of salt duties to increase our exports of butter. This argument is already answered by the experience above stated, that neither reduction nor repeal of duties leads to cheaper prices of salt, but to greater dearness. Salt, in fact, strikingly illustrates the fallacy of the chief argument for Free Trade, that our protective duties prevent exports. From 1857 to 1882 the invoice value of our exports of domestic butter was 70½ millions of dollars. The most ingenious scrutiny can discover no adverse influence in the salt duty upon our dairy exports. Under the tariff of 1857 the average duty was equivalent to a fraction over 1½ cents per bushel. Yet in the five years when that tariff prevailed our total exports of butter did not equal the

quantity exported in the single fiscal year of 1863, when the duty on salt used for dairy purposes was 24 cents per hundred pounds, or an average of 9½ cents per bushel.

*Sugar and Molasses. Imports, 94½ millions.*—The facts as to the production of sugar from sorghum justify the belief that with continued protection to sugar we may at no distant time produce from sorghum, with the addition of the cane sugar of Louisiana, all the sugar required for our domestic consumption, thus adding a vast domestic industry which can be pursued in the corn-producing States of the West and South.

*Chemicals, Drugs, Dyes, etc. Imports, 15½ millions.*—The immense benefits conferred by the later protective Congresses in making so many of the articles under this head,—the raw material of manufactures and pharmacy,—free of duty have never been sufficiently appreciated. Our space forbids us to enumerate the articles formerly dutiable that have been made free. Considerations of revenue in regard to these products, which could not be ignored in the tariffs during the war, have been entirely thrown aside in the later tariffs. The purpose has been to make free every crude material under this head which does not interfere with some important American product. The legislator who has devoted himself, as a member of the Committee on Ways and Means, most distinctively to this beneficent work, requiring such nice discrimination and technical knowledge, has been Judge Kelley, who thus justifies our observation that the most earnest advocates of protection have been the most practical contributors to a beneficial Free Trade.

In the legislation of 1883, (the present tariff,) the recommendations of the Tariff Commission in regard to this class were almost exclusively followed. That body, which has been charged with unduly protective tendencies, recommended large additions to the free list in this department, having in view not only the chemical industry of this country, with an annual product of \$120,000,000, but the textile manufacturers and pharmacists, who are consumers, the former of dyestuffs and chemicals, and the latter of chemicals and drugs. The aim of the Tariff Commission in their recommendations was to place all the raw material used in the chemical industry, with but inconsiderable exceptions, like that of sumac, a domestic production, on the free list, and only to make the material dutiable when advanced in value by grinding, refining, or other processes of manufacture in which labor becomes an element of consideration. By the legislation of 1883 substantially all crude drugs, indeed all substances not edible, were made free. It may be observed that indigo, the most important of all dyestuffs to the

manufacturer, dutiable under the revenue tariffs of 1846 and 1857, was made free by a protective Congress in 1861.

*Wools. Imports, 14 millions.*—We must first call attention to an important distinction in the dutiable character of our wool imports. A value of 7½ millions consists of carpet wools, upon which the average duty is 25.02 per cent., certainly not excessive, and which may be considered nothing more than a reasonable revenue duty. These wools not being produced to any considerable extent in this country, the duty was imposed in 1867 as a revenue measure, and was reduced, in 1883, 16½ per cent. without opposition in any quarter. The continuance of the present duty on carpet wools is advocated by wool-growers as a measure of justice to the growers who produce these wools while breeding up their flocks for the production of clothing wools; because these wools enter to some extent into blankets and other low goods; and chiefly because the free importation of carpet wools would be the entering wedge for free importation of all wools.

Of the classes of wool which are special objects of our domestic culture our imports are: of clothing wools, 4½ millions in value; of second-class wools, 1 million in value, a total of 5½ millions. On the former the average duty, as stated in the report under review, was 44.92 per cent.; on the latter, 42.65 per cent.

This duty upon the crude material of one of the most important of domestic manufactures, and as compared with that upon other agricultural products, it must be admitted, is very high, being above the average of all dutiable articles. But the circumstances attending the wool duty are as peculiar and exceptional as the duty. Some of these we will refer to, which, in our view, make the abolition or any considerable reduction of the wool duties at present impracticable and undesirable. Not to dwell upon the obvious justice of encouraging a great domestic industry, if encouragement is ever to be given by tariffs, and of continuing the protection under which investments have been made in wool-growing, all which is obvious, we observe that the most important of the exceptional circumstances attending the wool duty is the supremacy of the agricultural constituencies in legislation. We can not shut our eyes to the fact that outside of the few cities the farmers of the country, at least in the West and North, constitute the ruling political majorities. A million farmers, owning sheep and making wool a symbol of the interests of agriculture, create a public or rather legislative sentiment which makes the repeal of the wool duties utterly impossible.

Again, wool is exceptional in the incidental public advantages re-

sulting from the encouragement of its production. A reasonable wool duty involves the sustenance of our domestic sheep husbandry and the production of the best medium wools in the world—those which constitute the great bulk of our woollen fabrics. No one can doubt that the free admission of wools from the sixty million sheep in the Argentine Republic would destroy wool-growing in California, Texas, and the Territories, and inflict an irreparable blow upon our woollen manufactures. The decline of our sheep husbandry would check the settlement of new States and Territories, would diminish the fertilization of our farms by the most certain and profitable means of improvement, and would be felt at every table in the land, in the increased cost of the most necessary of all articles of food. We have often repeated what has never been sufficiently comprehended, that a domestic sheep husbandry is the readiest means of supplying a deficiency of animal food; that mutton by its abundance and cheapness keeps down the prices of all other animal food; and that the present demand for wool for manufactures encourages precisely the culture of sheep producing the best mutton. Of the last statement the extraordinary improvement of our mutton of late years is an irrefutable proof. All know that meat is the chief item of necessary expense in the great bulk of our families. If the wool duty encourages sheep husbandry and the above statements are correct, the amount of the increased cost of woollen fabrics to consumers resulting from the wool duties is repaid to them over and over again by the diminished cost of animal food which the wool duty effects. This is an illustration of the unexpected and unpremeditated effects of a wise tariff policy upon the interests of all the people.

*Coal. Imports, 2½ millions.*—There is no duty on anthracite coal. The duty on bituminous coal, it is believed, was imposed principally with reference to the bituminous coal of Nova Scotia, and at the earnest instance of Maryland and Virginia. The demand for free bituminous coal comes mainly from the gas companies of the East, and Americans who have invested in Nova Scotia mines. The duty is a moderate one, averaging 22.77 per cent., a revenue rate. It does not affect any important industry, especially of New England; for experience under the reciprocity treaty, when coal was free, showed that the duty did not affect the price. The remission of the duty on bituminous coal, then, is not required for the relief of domestic industry, the principal point in this inquiry.

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